

2012 Porter County Property Tax Report with Comparison to 2011

Legislative Services Agency

September 2012



This report describes property tax changes in Porter County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Porter County the average tax bill for all taxpayers increased slightly, by 0.6%. The tax bill was nearly unchanged because the total levy of all units was nearly unchanged. Certified net assessed value fell 1.7%. Agricultural assessments increased substantially, but business assessments fell, which may have been a legacy of the recession. A fall in net assessments coupled with unchanged levies caused tax rates to increase in most Porter County tax districts. This resulted in a slight 0.9% increase in tax cap credits as a percentage of the levy.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	0.6%	\$175,006,365	\$8,525,985,052	5.0%
Change		0.0%	-1.7%	0.9%
2011	4.7%	\$175,030,138	\$8,669,441,639	4.1%

Homestead Property Taxes

Homestead property taxes increased 1.5% on average in Porter County in 2012. Tax rates in a majority of Porter County tax districts increased, and the county average tax rate rose 1.7%. The percentage of Porter County homesteads at their tax caps increased from 26.3% in 2011 to 27.7% in 2012. This helped hold the homestead tax bill increase below the rate increase. Porter County's local homestead credit rate was nearly unchanged in 2012.

Net Tax Bill Changes - All Property Types

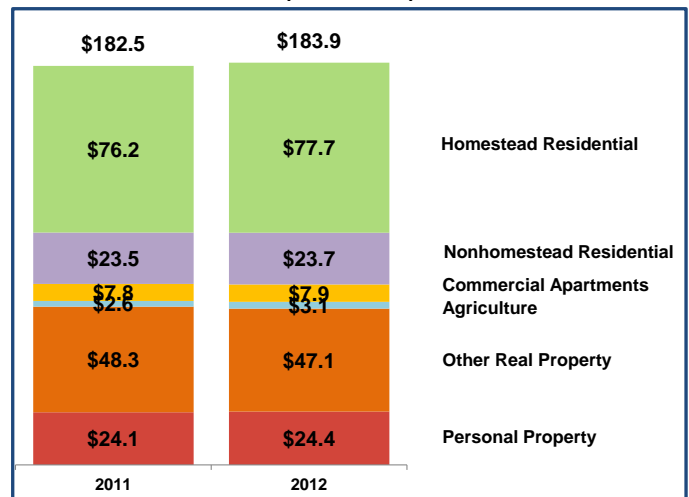
Most of Porter County's 2012 net property taxes were paid by homeowners and by business owners on their land and buildings (other real) and business equipment (personal). Net tax bills for all taxpayers increased 0.6% in Porter County in 2012. Net taxes were higher for all property categories except business land and buildings, which saw a net assessment decrease. The increase in agricultural tax bills was especially large.

Comparable Homestead Property Tax Changes in Porter County

	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	27,972	61.6%
No Change	503	1.1%
Lower Tax Bill	16,959	37.3%
Average Change in Tax Bill	1.5%	
Detailed Change in Tax Bill		
20% or More	1,065	2.3%
10% to 19%	7,438	16.4%
1% to 9%	19,469	42.9%
0%	503	1.1%
-1% to -9%	15,060	33.1%
-10% to -19%	1,225	2.7%
-20% or More	674	1.5%
Total	45,434	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates increased in a majority of Porter County tax districts. The average tax rate rose by 1.7%, because levies were almost unchanged while net assessed value fell.

Levies in Porter County were nearly unchanged, decreasing slightly by 0.01%. Portage Township School Corporation had large decreases in its debt service, capital projects, and transportation funds. Valparaiso Community School Corporation experienced the largest levy increase, due to a significant increase in its debt service fund.

Porter County's total net assessed value decreased 0.3% in 2012. Agricultural assessments rose 12.0%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. Combined nonagricultural net assessments fell 0.5%, led by a drop in business assessments. This decline may be a lingering effect of the Great Recession.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$18,058,621,712	\$18,163,976,720	0.6%	\$9,020,261,546	\$9,094,681,002	0.8%
Other Residential	3,150,563,566	3,179,994,820	0.9%	3,109,755,686	3,146,525,438	1.2%
Ag Business/Land	333,644,792	373,659,398	12.0%	333,296,942	373,247,244	12.0%
Business Real/Personal	8,096,296,188	7,819,177,698	-3.4%	6,598,387,962	6,389,584,652	-3.2%
Total	\$29,639,126,258	\$29,536,808,636	-0.3%	\$19,061,702,136	\$19,004,038,336	-0.3%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Porter County were \$9.7 million, or 5.0% of the levy. This was less than the state average percentage of the levy of 9.2%, but more than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Porter County's tax rates were lower than the state average but higher than the state median.

About half of the total tax cap credits were in the 2% nonhomestead/farmland category, and about half were in the 1% homestead category. The largest percentage losses were in the city of Valparaiso, the towns of Hebron and Porter, and the Boone Township School Corporation, where district tax rates approached or exceeded \$3 per \$100 assessed value. The largest dollar losses were in the cities of Valparaiso and Portage, the Valparaiso School Corporation, and the county unit.

Tax cap credits increased in Porter County in 2012 by \$1.8 million, or 22.8%. The percentage of the levy lost to credits rose by 0.9%. There were no major changes in state policy to affect tax cap credits in 2012. Porter County credits increased mainly because a majority of district tax rates increased.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$3,834,885	\$4,656,701	\$821,816	21.4%
2%	3,979,030	4,942,224	963,194	24.2%
3%	0	17,115	17,115	--
Elderly	96,122	93,828	-2,294	-2.4%
Total	\$7,910,037	\$9,709,868	\$1,799,831	22.8%
% of Levy	4.1%	5.0%		0.9%

Porter County Levy Comparison by Taxing Unit

Taxing Unit						% Change			
	2008	2009	2010	2011	2012	2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
<i>County Total</i>	<i>259,472,239</i>	<i>168,181,190</i>	<i>171,607,333</i>	<i>175,030,138</i>	<i>175,006,365</i>	<i>-35.2%</i>	<i>2.0%</i>	<i>2.0%</i>	<i>0.0%</i>
State Unit	251,325	0	0	0	0	-100.0%			
Porter County	41,856,187	34,619,665	36,239,384	36,142,902	36,064,916	-17.3%	4.7%	-0.3%	-0.2%
Boone Township	152,158	151,341	157,668	161,253	164,933	-0.5%	4.2%	2.3%	2.3%
Center Township	1,446,705	1,445,190	1,482,751	1,524,129	1,562,985	-0.1%	2.6%	2.8%	2.5%
Jackson Township	137,279	128,391	133,631	135,532	136,220	-6.5%	4.1%	1.4%	0.5%
Liberty Township	322,069	316,086	333,942	335,534	347,629	-1.9%	5.6%	0.5%	3.6%
Morgan Township	90,140	120,008	89,038	90,792	91,871	33.1%	-25.8%	2.0%	1.2%
Pine Township	96,646	98,302	101,808	103,229	105,780	1.7%	3.6%	1.4%	2.5%
Pleasant Township	191,437	194,417	202,796	207,995	213,582	1.6%	4.3%	2.6%	2.7%
Portage Township	2,310,980	1,937,104	2,163,770	1,754,720	1,973,718	-16.2%	11.7%	-18.9%	12.5%
Porter Township	295,941	299,418	290,309	334,880	313,218	1.2%	-3.0%	15.4%	-6.5%
Union Township	335,227	323,043	328,254	340,952	345,386	-3.6%	1.6%	3.9%	1.3%
Washington Township	206,902	202,023	205,813	195,444	183,942	-2.4%	1.9%	-5.0%	-5.9%
Westchester Township	161,499	159,619	163,869	166,051	168,183	-1.2%	2.7%	1.3%	1.3%
Valparaiso Civil City	16,289,698	16,249,346	16,643,236	17,496,908	17,514,220	-0.2%	2.4%	5.1%	0.1%
Portage Civil City	15,064,428	13,920,695	14,646,066	15,340,041	14,817,720	-7.6%	5.2%	4.7%	-3.4%
Chesterton Civil Town	4,604,074	4,856,897	5,558,222	4,776,498	4,776,339	5.5%	14.4%	-14.1%	0.0%
Beverly Shores Civil Town	583,102	728,822	559,190	1,039,654	789,693	25.0%	-23.3%	85.9%	-24.0%
Burns Harbor Civil Town	1,362,402	2,013,902	1,861,083	1,506,151	1,612,490	47.8%	-7.6%	-19.1%	7.1%
Dune Acres Civil Town	275,809	284,610	295,051	296,189	311,758	3.2%	3.7%	0.4%	5.3%
Hebron Civil Town	577,598	595,583	617,575	624,002	650,256	3.1%	3.7%	1.0%	4.2%
Kouts Civil Town	315,565	329,145	340,323	334,406	299,197	4.3%	3.4%	-1.7%	-10.5%
Ogden Dunes Civil Town	650,446	591,331	669,671	723,827	739,317	-9.1%	13.2%	8.1%	2.1%
Porter Civil Town	1,898,178	1,998,261	2,070,309	2,180,668	2,238,737	5.3%	3.6%	5.3%	2.7%
Pines Civil Town	87,393	90,928	94,214	96,747	99,795	4.0%	3.6%	2.7%	3.2%
Michigan City Area School Corp	3,611,147	1,892,146	2,424,057	1,729,451	1,534,524	-47.6%	28.1%	-28.7%	-11.3%
Boone Township School Corp	6,225,857	3,961,398	3,759,329	3,820,546	4,037,216	-36.4%	-5.1%	1.6%	5.7%
Duneland School Corp	42,426,897	20,441,967	20,535,971	20,709,432	20,863,479	-51.8%	0.5%	0.8%	0.7%
East Porter County School Corp	15,044,735	8,948,837	8,471,638	9,023,020	8,763,948	-40.5%	-5.3%	6.5%	-2.9%
Porter Township School Corp	8,533,173	4,532,931	4,343,242	4,678,993	4,337,250	-46.9%	-4.2%	7.7%	-7.3%
Union Township School Corp	8,952,069	4,297,165	4,368,353	4,663,877	5,423,729	-52.0%	1.7%	6.8%	16.3%
Portage Township School Corp	36,173,575	17,018,947	17,614,446	17,709,302	15,938,317	-53.0%	3.5%	0.5%	-10.0%
Valparaiso Community School Corp	40,089,375	17,132,353	16,322,520	18,132,137	19,667,768	-57.3%	-4.7%	11.1%	8.5%
Westchester Public Library	2,254,700	2,301,380	2,417,314	2,379,735	2,546,387	2.1%	5.0%	-1.6%	7.0%
Porter County Public Library	5,103,485	5,249,200	5,324,557	5,494,727	5,569,492	2.9%	1.4%	3.2%	1.4%
West Porter Township Fire Protection	140,831	131,597	136,139	138,875	137,343	-6.6%	3.5%	2.0%	-1.1%
Porter Co Solid Waste District	0	0	0	0	0				
Porter Co Airport Authority	649,258	619,142	641,794	641,539	665,027	-4.6%	3.7%	0.0%	3.7%
Valparaiso Redevelopment Commission	328,290	0	0	0	0	-100.0%			
Burns Harbor Town Redevelopment	0	0	0	0	0				
Porter Redevelopment Commission	0	0	0	0	0				
Portage Redevelopment Commission	375,659	0	0	0	0	-100.0%			
Chesterton Redevelopment Commission	0	0	0	0	0				

Porter County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
64001	Boone Township	2.4253	--	--	6.5281%	--	--	--	2.2670
64002	Hebron (Boone)	3.0637	--	--	6.5281%	--	--	--	2.8637
64003	Center Township	1.6073	--	--	6.5281%	--	--	--	1.5024
64004	Valparaiso (Center)	2.6165	--	--	6.5281%	--	--	--	2.4457
64005	Jackson Township	1.4126	--	--	6.5281%	--	--	--	1.3204
64006	Liberty Township	1.4661	--	--	6.5281%	--	--	--	1.3704
64007	Chesterton-Liberty Twp	2.1469	--	--	6.5281%	--	--	--	2.0067
64008	Morgan Township	1.6415	--	--	6.5281%	--	--	--	1.5343
64009	Pine Township-Mich City School	1.2923	--	--	6.5281%	--	--	--	1.2079
64010	Pine Township-Duneland School	1.4674	--	--	6.5281%	--	--	--	1.3716
64011	Beverly Shores (Pines)	1.7045	--	--	6.5281%	--	--	--	1.5932
64012	Pines Town (Pines Twp)	1.6835	--	--	6.5281%	--	--	--	1.5736
64013	Pleasant Township	1.7127	--	--	6.5281%	--	--	--	1.6009
64014	Kouts (Pleasant)	2.0515	--	--	6.5281%	--	--	--	1.9176
64015	Portage Township	1.7169	--	--	6.5281%	--	--	--	1.6048
64016	Portage City-Portage Twp	2.5470	--	--	6.5281%	--	--	--	2.3807
64017	Ogden Dunes (Portage)	1.9530	--	--	6.5281%	--	--	--	1.8255
64018	Porter Township	1.5114	--	--	6.5281%	--	--	--	1.4127
64019	Union Township	1.7385	--	--	6.5281%	--	--	--	1.6250
64020	Washington Township	1.6664	--	--	6.5281%	--	--	--	1.5576
64021	Westchester Township	1.5045	--	--	6.5281%	--	--	--	1.4063
64022	Portage City-Westchester Twp	2.5266	--	--	6.5281%	--	--	--	2.3617
64023	Chesterton-Westchester Twp	2.2080	--	--	6.5281%	--	--	--	2.0639
64024	Burns Harbor (Westchester)	1.7806	--	--	6.5281%	--	--	--	1.6644
64025	Dune Arces (Westchester)	1.7767	--	--	6.5281%	--	--	--	1.6607
64026	Porter Town (Westchester)	2.4991	--	--	6.5281%	--	--	--	2.3360
64027	Chesterton-Jackson Twp	2.1296	--	--	6.5281%	--	--	--	1.9906
64028	Porter Twp-W Porter Fire	1.4802	--	--	6.5281%	--	--	--	1.3836
64029	Valparaiso-Washington Twp	2.7730	--	--	6.5281%	--	--	--	2.5920

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Porter County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	4,650,533	4,718,094	15,970	93,721	9,478,318	175,006,365	5.4%
<i>TIF Total</i>	6,167	224,130	1,145	107	231,550	17,811,038	1.3%
<i>County Total</i>	4,656,701	4,942,224	17,115	93,828	9,709,868	192,817,403	5.0%
Porter County	777,884	776,308	2,205	17,845	1,574,242	36,064,916	4.4%
Boone Township	7,665	9,572	266	49	17,552	164,933	10.6%
Center Township	20,607	17,951	0	875	39,434	1,562,985	2.5%
Jackson Township	232	25	0	24	281	136,220	0.2%
Liberty Township	1,307	198	0	152	1,657	347,629	0.5%
Morgan Township	0	0	0	25	25	91,871	0.0%
Pine Township	40	0	0	1	41	105,780	0.0%
Pleasant Township	51	273	0	135	460	213,582	0.2%
Portage Township	29,975	47,962	0	1,400	79,337	1,973,718	4.0%
Porter Township	0	0	0	109	109	313,218	0.0%
Union Township	546	0	0	117	663	345,386	0.2%
Washington Township	795	417	0	54	1,266	183,942	0.7%
Westchester Township	1,387	1,143	0	52	2,582	168,183	1.5%
Valparaiso Civil City	1,104,971	949,146	0	13,636	2,067,754	17,514,220	11.8%
Portage Civil City	358,311	662,824	0	9,244	1,030,379	14,817,720	7.0%
Chesterton Civil Town	176,683	91,821	0	3,234	271,738	4,776,339	5.7%
Beverly Shores Civil Town	915	0	0	0	915	789,693	0.1%
Burns Harbor Civil Town	58	0	0	63	121	1,612,490	0.0%
Dune Acres Civil Town	3,089	0	0	0	3,089	311,758	1.0%
Hebron Civil Town	44,883	54,088	3,542	342	102,855	650,256	15.8%
Kouts Civil Town	283	1,506	0	157	1,946	299,197	0.7%
Ogden Dunes Civil Town	21,426	0	0	0	21,426	739,317	2.9%
Porter Civil Town	135,348	129,351	0	2,291	266,991	2,238,737	11.9%
Pines Civil Town	0	0	0	2	2	99,795	0.0%
Michigan City Area School Corp	1,300	0	0	12	1,313	1,534,524	0.1%
Boone Township School Corp	205,154	253,845	9,499	1,381	469,879	4,037,216	11.6%
Duneland School Corp	325,479	223,491	0	8,134	557,104	20,863,479	2.7%
Morgan Township School Corp	0	0	0	0	0	0	
East Porter County School Corp	43,833	26,819	0	3,055	73,707	8,763,948	0.8%
Porter Township School Corp	0	0	0	1,144	1,144	4,337,250	0.0%
Union Township School Corp	8,571	0	0	1,835	10,406	5,423,729	0.2%
Washington Township School Corp	0	0	0	0	0	0	
Portage Township School Corp	340,801	545,300	0	9,790	895,891	15,938,317	5.6%
Valparaiso Community School Corp	852,508	744,337	0	14,248	1,611,093	19,667,768	8.2%
Hebron Public Library	0	0	0	0	0	0	
Westchester Public Library	49,089	40,467	0	1,165	90,721	2,546,387	3.6%
Porter County Public Library	122,995	126,934	417	2,803	253,149	5,569,492	4.5%
West Porter Township Fire Protection	0	0	0	19	19	137,343	0.0%
Porter Co Solid Waste District	0	0	0	0	0	0	
Porter Co Airport Authority	14,344	14,315	41	329	29,029	665,027	4.4%
Valparaiso Redevelopment Commission	0	0	0	0	0	0	
Burns Harbor Town Redevelopment	0	0	0	0	0	0	
Porter Redevelopment Commission	0	0	0	0	0	0	
Portage Redevelopment Commission	0	0	0	0	0	0	
Chesterton Redevelopment Commission	0	0	0	0	0	0	

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	4,650,533	4,718,094	15,970	93,721	9,478,318	175,006,365	5.4%
<i>TIF Total</i>	6,167	224,130	1,145	107	231,550	17,811,038	1.3%
<i>County Total</i>	4,656,701	4,942,224	17,115	93,828	9,709,868	192,817,403	5.0%
TIF - TIF # 10 Hebron	0	2,887	1,145	0	4,032	64,008	6.3%
TIF - TIF #11 Valpo Med Tech	0	512	0	0	512	2,375	21.6%
TIF - TIF #3 Valpo/Southeast	0	171,794	0	0	171,794	4,549,258	3.8%
TIF - TIF #4 Valpo Franklin	33	556	0	0	589	90,335	0.7%
TIF - TIF #9 Valpo- N.Centrl	0	1,064	0	0	1,064	127,152	0.8%
TIF - TIF #12 North Coast Econ	0	36	0	0	36	151	23.6%
TIF - TIF #7 Chesterton Liberty	0	491	0	0	491	664,347	0.1%
TIF - TIF #2 Portage City	0	11,884	0	0	11,884	6,861,863	0.2%
TIF - TIF #2 Portage Westchester	0	0	0	0	0	0	
TIF - TIF #7 Chesterton	0	5,319	0	0	5,319	1,009,995	0.5%
TIF - TIF #8 Burns Harbor	0	0	0	0	0	618,813	0.0%
TIF - TIF #1 Town Of Porter	6,135	23,813	0	107	30,054	1,134,754	2.6%
TIF - TIF #7 Chesterton-Jacksonn	0	0	0	0	0	0	
TIF - TIF #11 Valpo/Wash Med	0	284	0	0	284	1,020	27.9%
TIF - TIF #5 Washington-Valpo	0	0	0	0	0	836,794	0.0%
TIF - TIF #6 Washington-Valpo	0	5,492	0	0	5,492	1,850,175	0.3%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.